

Message Text

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ORIGIN EB-07

INFO OCT-01 IO-13 ISO-00 SS-15 L-03 TRSE-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 STR-04

ITC-01 PRS-01 SP-02 OMB-01 FEA-01 NSCE-00 SSO-00

USIE-00 INRE-00 AF-08 ARA-06 EA-07 EUR-12 NEA-10 /131 R

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S/S-O: M. TANNER

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O R 230156Z JUL 76

FM SECSTATE WASHDC

TO USMISSION GENEVA IMMEDIATE

INFO USMISSION USUN NEW YORK

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E.O. 11652: N/A

TAGS: UN, ECOSOC, EGEN, BDIS

SUBJECT: 61ST ECOSOC - GUIDANCE ON REQUEST BY INTERNATIONAL
ORGANIZATION FOR CONSUMERS UNIONS

REF: GENEVA 5740

1. AGREE WITH MISSION ASSESSMENT PARA 3 REFTTEL, I.E., THAT
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ILLICIT PAYMENTS EFFORT SHOULD OVERRIDE CONSUMER AFFAIRS

INITIATIVE, DESPITE GENERAL USG INTEREST IN AND SUPPORT FOR ADVANCEMENT OF CONSUMER PROTECTION. GIVEN USG ECOSOC PRIORITIES, DEPARTMENT PREFERS THAT RESOLUTION NOT RPT NOT BE INTRODUCED IN ECOSOC AS DRAFTED, AND PARTICULARLY NOT IN CONNECTION WITH TNC AGENDA ITEM. IF IT IS INTRODUCED IN ITS PRESENT FORM, U.S. SHOULD NOT CO-SPONSOR.

2. DEPARTMENT BELIEVES INTRODUCTION OF RESOLUTION UNDER TNC COMMISSION AGENDA ITEM WOULD IMPLY THAT MNCS GUILTY OF PRACTICES DETAILED IN RESOLUTION. USG BELIEVES, TO THE CONTRARY, THAT US (AND OTHER) MNCS GENERALLY HAVE BEEN IN FOREFRONT IN INSTITUTING QUALITY CONTROL AND UNIFORM STANDARDS BENEFICIAL TO CONSUMERS, EVEN IN COUNTRIES WHERE DOMESTIC ENTERPRISES MAY NOT BE REQUIRED TO INSTITUTE SUCH CONTROLS. FURTHERMORE, USG IS ON RECORD AS FAVORING HOST-

COUNTRY REGULATION OF ACTIVITIES WITHIN ITS OWN BORDERS, ON BASIS OF NON-DISCRIMINATION BETWEEN DOMESTIC AND FOREIGN FIRMS (I.E., NATIONAL TREATMENT). WE CANNOT ACCEPT RESOLUTION'S IMPLICATION THAT MNCS SOLELY TO BLAME FOR INADEQUATE PROTECTION OF CONSUMERS, E.G., IN COUNTRIES LACKING MEANS TO COPE WITH ADVANCES IN TECHNOLOGY, GROWTH IN TRADE AND GROWTH OF MNCS. MUCH RESPONSIBILITY, IN OUR VIEW, RESTS WITH HOST GOVERNMENTS.

3. USG SUPPORT FOR THE ADVANCEMENT OF CONSUMER INTERESTS IS MATTER OF RECORD. INDEED, DEPT CAN ENVISION USG SUPPORT FOR A MORE BALANCED RESOLUTION WHICH MIGHT INCORPORATE SEVERAL KEY PROPOSALS OF THE PRESENT DRAFT, E.G., THE CONVENING OF GOVERNMENTAL EXPERTS ON CONSUMER AFFAIRS TO MAKE RECOMMENDATIONS ON INTERNATIONAL STANDARDS OF CONSUMER WELFARE; THE COLLECTION OF INFORMATION ABOUT COMPARATIVE CONSUMER PROTECTION IN MEMBER COUNTRIES, INCORPORATION IN TNC CODE OF CONDUCT A STATEMENT ENCOURAGING AWARENESS OF AND SUPPORT FOR HOST-COUNTRY CONSUMER PROTECTION OBJECTIVES; AND THE DEVELOPMENT OF METHODS FOR UTILIZING THE UN SYSTEM IN THE COLLECTION AND DISSEMINATION OF INFORMATION, TRAINING PROGRAMS, ETC.

4. SPECIFIC OBJECTIONS TO PRESENT DRAFT ARE THE FOLLOW-LIMITED OFFICIAL USE

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ING:

A. THE MEANING AND INTENT OF SUB-SECTION B OF PROPOSAL A, WHICH WOULD PROHIBIT EXPORTATION WITHOUT FULL DISCLOSURE OF PRODUCTS THAT FAIL TO MEET HOME COUNTRY STANDARDS ARE UNCLEAR. WE ARE ON RECORD AS FAVORING HOST-COUNTRY RESPONSIBILITY FOR QUALITY OF IMPORTS, RATHER THAN HOME COUNTRY RESPONSIBILITY FOR EXPORTS. TO THE EXTENT THAT THIS PRO-

VISION FOR DISCLOSURE IMPLIES HOME-COUNTRY INVOLVEMENT, USG SUPPORT MIGHT BE DIFFICULT.

B. REMAINING SUB-SECTIONS OF PROPOSAL A ARE UNNECESSARY BECAUSE GOVERNMENTS POSSESS REQUISITE AUTHORITY EITHER TO DEMAND PERFORMANCE OR PROHIBIT CERTAIN PRACTICES, AND BECAUSE OTHER INTERNATIONAL ORGANIZATIONS HAVE ALREADY ADDRESSED ISSUES RELATING TO RESTRICTIVE BUSINESS PRACTICES.

C. DEPARTMENT BELIEVES PROPOSAL B IS UNNECESSARY AND POTENTIALLY COUNTERPRODUCTIVE. DEPARTMENT RECALLS DR. WILLNER'S SUCCESSFUL EFFORTS TO HAVE INCLUDED IN TNC INFORMATION AND RESEARCH CENTER'S WORK PROGRAM ISSUES CONCERNING CONSUMER PROTECTION. LEVYING YET ANOTHER RESEARCH REQUIREMENT ONTO THE CENTER MIGHT CREATE AN IMBALANCE IN THE PROGRAM AND LEAD TO AN INEFFICIENT ALLOCATION OF THE CENTER'S RESOURCES.

5. USDEL MAY WISH TO DRAW UPON FOLLOWING POINTS IN DISCUSSION WITH DR. WILLNER:

-- US IS COMMITTED TO ADVANCEMENT OF CONSUMER INTERESTS AND WOULD LIKE TO SUPPORT THE EFFORTS OF DR. WILLNER'S ORGANIZATION;

-- US COULD SUPPORT A RESOLUTION CALLING FOR AN INTERNATIONAL CONFERENCE OF CONSUMER EXPERTS TO CONSIDER INTERNATIONAL STANDARDS FOR CONSUMER WELFARE;

-- ALTHOUGH WE DOUBT THAT THE TNC AGENDA ITEM IS THE MOST APPROPRIATE PLACE FOR THE INTRODUCTION OF A GENERAL RESOLUTION ON CONSUMER WELFARE, WE WOULD NOT OPPOSE A RESOLUTION ENCOURAGING TNC AWARENESS OF AND SUPPORT FOR LIMITED OFFICIAL USE

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HOST-COUNTRY CONSUMER PROTECTION OBJECTIVES;

-- WE WONDER WHETHER THIS IS AN APPROPRIATE TIME FOR THE INTRODUCTION OF A RESOLUTION ON CONSUMER PROTECTION, ESPECIALLY SINCE THE TNC INFORMATION AND RESEARCH CENTER HAS ALREADY BEEN INSTRUCTED TO GATHER INFORMATION ABOUT STANDARDS OF CONSUMER WELFARE, AND OTHER INTERNATIONAL ORGANIZATIONS (E.G., OECD) HAVE ESTABLISHED STUDY GROUPS ON CONSUMER ISSUES;

-- WHILE THE US IS AMENABLE TO A RESOLUTION, WE EMPHASIZE THAT, TO RECEIVE US SUPPORT, A RESOLUTION SHOULD NEITHER IGNORE THE OVERALL RESPONSIBILITY OF HOST GOVERNMENTS FOR CITIZEN WELFARE NOR DIFFERENTIATE BETWEEN TREATMENT OF FOREIGN AND DOMESTIC ENTERPRISES.

6. IF DR. WILLNER IS RECEPTIVE TO POINTS MADE IN
PARAGRAPHS 3, 4 AND 5 ABOVE, USDEL MAY, AT ITS
DISCRETION, INDICATE THAT WE WOULD BE WILLING TO
CONSIDER SUPPORTING A REVISED RESOLUTION ON THIS
SUBJECT. ROBINSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSUMER PROTECTION, INSTRUCTIONS, TRADE COMPLAINTS, INTERNATIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE182146
Document Source: CORE
Document Unique ID: 00
Drafter: GHMITCHELL:ME
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760283-0231
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760727/aaaaaxko.tel
Line Count: 175
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 GENEVA 5740
Review Action: RELEASED, APPROVED
Review Authority: saccheem
Review Comment: n/a
Review Content Flags:
Review Date: 10 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 MAY 2004 by buchant0>; APPROVED <22 SEP 2004 by saccheem>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 61ST ECOSOC - GUIDANCE ON REQUEST BY INTERNATIONAL ORGANIZATION FOR CONSUMERS UNIONS
TAGS: EGEN, BDIS, US, UN, ECOSOC
To: GENEVA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006